



AN ACT ESTABLISHING A PROGRAM AND CRITERIA TO PROVIDE STATE MATCHING GRANTS FOR FEDERAL SMALL BUSINESS INNOVATIVE RESEARCH GRANTS OR FEDERAL SMALL BUSINESS TECHNOLOGY TRANSFER GRANTS; AMENDING SECTION 90-1-147, MCA; AND PROVIDING AN EFFECTIVE DATE .

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1. Small business state matching grant program -- purpose.** (1) There is a small business state matching grant program established within the department of commerce to provide guidelines and state matching grants to businesses meeting the criteria in [section 2] that have received phase I funding for federal small business innovative research grants or small business technology transfer grants and that are applying for phase II federal small business innovative research grants or small business technology transfer grants.

(2) The state matching grants available for the small business state matching grant program are from any funds received for the program or appropriated to the program by the legislature.

(3) The purpose of the program is to foster job creation and economic development in the state by providing state matching grants to eligible businesses meeting the criteria described in [section 2].

**Section 2. Small business eligibility criteria.** To be eligible for a state matching grant under [sections 1 through 3], a business shall provide evidence to the department of commerce that the business meets all of the following criteria:

(1) the business is a for-profit sole proprietorship, partnership, limited liability company, limited liability partnership, or corporation registered with the secretary of state under Title 35 and has its principal place of business in this state;

(2) the business has received a phase I award under a small business innovative research grant or small business technology transfer grant from a participating federal agency in response to a specific federal solicitation;

(3) the business meets all federal eligibility requirements for a small business innovative research grant or a small business technology transfer grant;

(4) the business is not concurrently receiving funding from other state funding programs that duplicate the purpose stated in [section 1];

(5) the business certifies that at least 51% of the research described in the business's proposal for phase II funding under a small business innovative research grant or small business technology transfer grant is to be conducted in this state and that the business will remain a Montana-based business for the duration of a phase II project under a small business innovative research grant or small business technology transfer grant; and

(6) the business demonstrates an ability to conduct research for the business's phase II proposal under the small business innovative research grant or small business technology transfer grant.

**Section 3. Grant award guidelines.** (1) The department of commerce may award grants of no more than \$100,000 to a business meeting the criteria in [section 2].

(2) A business may receive a state matching grant for each separate project that is submitted under a federal small business innovative research grant or small business technology transfer grant.

(3) (a) Upon application from a business that has met the criteria in [section 2], the department may award up to 50% of the grant.

(b) To receive the remaining 50% of the state matching grant, the business shall submit to the participating federal agency, with copies to the department of commerce, a final phase I project report, a letter of support from the sponsoring agency indicating that the sponsoring agency is interested in the phase II proposal, and an application for phase II funding. The remaining 50% of the state matching grant is not contingent upon approval of the phase II project by the participating federal agency.

(c) Upon receipt of the documents listed in subsection (3)(b) and verification by the business of a submitted phase II application to the participating federal agency, the department of commerce shall remit to the business the remaining 50% of the grant to be provided under [sections 1 through 3].

(4) A business applying for a state matching grant under [sections 1 through 3] shall submit on a form prescribed by the department of commerce an application that contains:

(a) the name of the business, the form of business organization that is registered with the secretary of state, and the names and addresses of the principals or management of the business;

(b) proof of receipt of a phase I award under a federal small business innovative research grant or a federal small business technology transfer grant; and

(c) any other information required by the department of commerce by rule.

**Section 4.** Section 90-1-147, MCA, is amended to read:

**"90-1-147. Rulemaking.** The department of commerce may adopt rules to:

- (1) provide for uniform loan and grant applications, when appropriate;
- (2) coordinate the announcement and marketing of available financial assistance programs that are administered by other state agencies;
- (3) provide for the specific requirements necessary to develop useful and logical navigation pathways and cross-references for a financial assistance program internet website and a standard form of internet links and access, consistent with the financial assistance program website, for individual agency websites that administer financial assistance programs; and
- (4) develop processes and procedures necessary to effectively implement the provisions of 90-1-141 through 90-1-147 and [sections 1 through 3]."

**Section 5. Codification instruction.** [Sections 1 through 3] are intended to be codified as an integral part of Title 90, chapter 1, and the provisions of Title 90, chapter 1, apply to [sections 1 through 3].

**Section 6. Effective date.** [This act] is effective July 1, 2009.

- END -

I hereby certify that the within bill,  
HB 0572, originated in the House.

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Chief Clerk of the House

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2009.

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2009.

HOUSE BILL NO. 572

INTRODUCED BY POMNICHOWSKI, ROUNDSTONE, GILLAN, FUREY, BRANAE, BELCOURT, NOONEY,  
MCALPIN, FLEMING, GETZ, WISEMAN, HAWKS, WILMER, MOSS

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